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House of Representatives

The House met at 9 a.m. and was called to order by the Speaker pro tempore (Ms. SOLIS).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

WASHINGTON, DC,
September 16, 2008.

I hereby appoint the Honorable HILDA L. SOLIS to act as Speaker pro tempore on this day.

NANCY PELOSI,
Speaker of the House of Representatives.

MORNING-HOUR DEBATE

The SPEAKER pro tempore. Pursuant to the order of the House of January 4, 2007, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning-hour debate.

The Chair will alternate recognition between the parties, with each party limited to 25 minutes and each Member, other than the majority and minority leaders and the minority whip, limited to 5 minutes, but in no event shall debate continue beyond 9:50 a.m.

TAKING THE "FREE" OUT OF THE FREE ENTERPRISE SYSTEM

The SPEAKER pro tempore. The Chair recognizes the gentleman from Washington (Mr. McDERMOTT) for 5 minutes.

Mr. McDERMOTT. Madam Speaker, this is a propitious day. The market dropped 500 points yesterday, the largest drop since 2001. The economic and regulatory policies of this President has certainly taken the "free" out of the free enterprise system. Across America, the dominoes are falling.

Bear Stearns fell a few months ago; Fannie Mae, Freddie Mac, a week ago;

a distress sale of Merrill Lynch over the weekend; Lehman Brothers is looking for bankruptcy on Monday morning; and the auto industry is looking for another \$25 billion in bailout; and AIG wants a \$40 billion bridge loan from the Federal Reserve. The stock market, as I say, went down 500 points yesterday. No one really thinks we can see the light at the end of the tunnel.

Who's next? We can't answer that question of who is next, other than to say an awful lot of people in the financial industry are working nights and weekends to assess their exposure, and do damage control, if possible.

What's next? This is a question we can begin to answer. What's next is that the American people are going to be on the hook for the Bush problem for the next generation, and in so many ways will have to pay much of the financial mess.

The last 8 years of this administration, they did everything they could to eliminate, gut, stymie, and ignore responsibility for regulatory oversight by the Federal Government. This administration worshipped at the altar of the free enterprise system and the market. The President wanted the gold, but without a standard.

Republicans did everything they could to let the financial industry do anything it wanted, regardless of consequence. At the same time, the administration made clear in its Federal appointments they wanted Federal regulatory agencies on the sidelines.

Without government oversight watching out for the interests of the American people, the industry turned free rein into freewheeling, irresponsible policies. When the dominoes began to fall, the administration stepped in to charge billions for bailouts to the American people. And it's not over yet.

The current financial crisis is the worst in decades, and yet the shell game goes on. The administration

wants to hide the extent of the damage, the risk, and the burden on the American people.

I would like to enter into the RECORD the lead Sunday editorial in the New York Times, called: Bailout Hide and Seek.

The Federal budget deficit has swelled to more than \$400 billion, and is headed for \$500 billion, but the administration wants to keep the cost of the bailouts off the Federal books. They want to hide the magnitude of the crisis and their duplicity in making it possible for the last 8 years of economic abandonment.

Things are so bad that no one can accurately predict what the cost will be or how much the American people have been saddled with. The only thing the administration keeps saying is, Charge it to the American people. Just like the Iraq war, which is adding up to a trillion-dollar tab.

This President misspent the public trust and squandered the full faith and credit of the American people. The bills just keep coming due after the administration leaves office. They say in business: There's no such thing as a free lunch. What they don't say is that the President has arranged for the American people to pick up the tab.

The American financial crisis is the culmination of Republican economic policies. Spend freely, lower taxes, and don't ask anybody to make any kind of sacrifice for a war. Just spend. They got what they wanted, and left the American people holding the bag, and the tab.

The next administration will not only have to rebuild America's moral leadership in the world, we will have to rebuild America's economic system and the confidence here at home. The legacy of this President is clear. He took the "free" out of the free enterprise system, and instead billed it to the American people.

□ This symbol represents the time of day during the House proceedings, e.g., □ 1407 is 2:07 p.m.

Matter set in this typeface indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.



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